

## Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 CAB-05 CIAE-00 COME-00 DODE-00

DOT-00 INR-07 NSAE-00 FAA-00 PM-04 H-02 L-03 NSC-05

PA-02 PRS-01 SP-02 SS-15 USIA-15 /081 W

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R 111619Z AUG 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 3682

UNCLAS LONDON 12319

E.O. 11652: N/A

TAGS: EAIR, UK

SUBJ: CIVAIR: UK AVIATION POLICY

REF: STATE 181381

1. QUESTIONS REFTTEL DISCUSSED WITH IAN BROWN, DEPT. OF TRADE. INFORMATION HE PROVIDED FOLLOWS:

(A) BROWN SAID IMPLEMENTATION OF DECISIONS ON BCAL AND LAKER WILL NOT BE HELD UP AWAITING PARLIAMEN- TARY APPROVAL. DOT WILL BEGIN IMMEDIATELY TO WORK OUT WITH CAA BEST WAY TO IMPLEMENT DECISIONS WITHIN ANY LIMITATIONS IMPOSED BY CAA'S STATUTE.

(B) ANY ACTION ON WITHDRAWAL OF BCAL'S DESIGNATION TO U.S. WILL HAVE TO COME AFTER DECISION MADE BY CAA AND DOT ON CHANGES TO BE MADE IN BCAL'S UK LICENSE. SPECIFIC ACTION TO BE TAKEN ON BCAL'S UK LICENSE DEPENDS LARGELY ON CAA STATUTORY POSITION WHICH NOT YET CLEAR. WHILE BCAL IS NOT LEGALLY ESTOPPED FROM USING ITS LICENSE AND DESIGNATION AUTHORITY TO OPERATE TO THE U.S. BY SHORE'S POLICY STATEMENT ALONE, IT IS UNDERSTOOD THAT THE CARRIER WILL NOT TAKE ANY ACTION CONTRARY TO THE STATE SECRETARY'S POLICY IN INTERIM PERIOD BEFORE LICENSING AND DESIGNATION SITUATIT WORKED OUT.

(C) DETAILS TF HOW LAKER LICENSE WILL BE REVOKED IN LINE WITH SHORE'S STATEMENT NOT CLEAR. HOWEVER, UNCLASSIFIED

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BROWN SAID POLICY WILL BE IMPLEMENTED AS SOON AS LEGAL

DETAILS ARRANGED. ACCORDING TO BROWN, LAKER HAS NO LEGAL GROUNDS TO APPEAL SHORE'S DECISION NOR CAN ANY UK COURT OVERRULE SECRETARY OF STATE'S DIRECTION TO CAA IN THIS REGARD. ON THE OTHER HAND, LAKER MAY HAVE BASIS TO TAKE ACTION AGAINST GOVERNMENT IN COURTS TO RECOVER DAMAGES ON GROUNDS THAT HE HAD BEEN WILLFULLY MISLED BY GOVERNMENT WHICH HE CONTENTS DID NOT USE BEST EFFORTS TO OBTAIN NECESSARY U.S. LISE TO ALLOW HIM TO OPERATE SKYTRAIN.

2. ON GENERAL QUESTION OF TIMING WITH REGARD TO REVOKATION OF BCAL'S AND LAKER'S NORTH ATLANTIC ROUTE AUTHORITY, IT IS PARTICULARLY USEFUL TO BEAR IN MIND THAT UKG DOES NOT REGARD THESE AS MATTERS OF GREAT URGENCY SINCE NEITHER AIRLINE PRESENTLY OPERATES A NORTH ATLANTIC SCHEDULE OF SERVICES. IT IS EVIDENT FROM OUR DISCUSSIONS THAT OFFICIALS HAVE NOT FULLY SORTED OUT TIMING QUESTIONS OR MANNER IN WHICH THEY WILL IMPLEMENT NEW POLICY BUT POWERS OF SECRETARY OF STATE FOR TRADE TO REGULATE UK (AND FOREIGN) AIRLINES ARE SO BROAD THAT NO BRITISH CARRIER WOULD DARE TO OPERATE IN MANNER CONTRARY TO HIS DECLARED POLICY REGARDLESS WHETHER THAT POLICY HAS FORMAL PARLIAMENTARY APPROVAL.

3. WE ARE FURNISHING TO EB/OA COPY OF JULY 31 COMMONS DEBATE ON AVIATION POLICY. DEBATE FOCUSED ALMOST EXCLUSIVELY ON SKYTRAIN ISSUE AND IN IT PARLIAMENTARY UNDER SECRETARY FOR TRADE (CLINTON DAVIS) EXPLAINED IN SOME DETAIL GOVERNMENT'S REASONS FOR SCRAPPING SKYTRAIN. HE ALSO USED OCCASION TO COMPLAIN AGAIN ABOUT HOW USG "...FAILED TO COMPLY WITH THE OBLIGATIONS UNDER THE AIR SERVICES AGREEMENT IN RESPECT OF SKYTRAIN." HE CONFIRMED UK NOT WITHDRAWING LAKER DESIGNATION AND PROMISED TO "CONTINUE TO REMIND U.S. AUTHORITIES OF OUR VIEWS ON THIS MATTER." HE ALSO SAID UKG PREPARED TO GIVE LAKER "FULLEST SUPPORT" IN THE DEVELOPMENT OF THE U.S. CHARTER MARKET. IN VIEW OF LATER STATEMENT, WE ASSUME UKG WILL

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VERY SHORTLY, IF IT HAS NOT ALREADY DONE SO, APPROACH U.S. ABOUT RESTORATION OF LAKER'S AFFINITY CHARTER RIGHTS OUT OF THE U.S.

RICHARDSON

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CIVIL AVIATION, POLICIES, AIR TRANSPORTATION, AVIATION REGULATIONS  
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**Copy:** SINGLE  
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**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
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**Disposition Authority:** n/a  
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**Disposition Comment:**  
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**Office:** ACTION EB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
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**Page Count:** 3  
**Previous Channel Indicators:** n/a  
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**Reference:** 75 STATE 181381  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ellisoob  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 02 JAN 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <02 JAN 2003 by ReddocGW>; APPROVED <09 FEB 2004 by ellisoob>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CIVAIR: UK AVIATION POLICY  
**TAGS:** EAIR, UK  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006